



United States Department of the Interior



Bureau of Land Management

Eastern States
7450 Boston Boulevard
Springfield, Virginia 22153
<http://www.es.blm.gov>

IN REPLY REFER TO:

Notice of Competitive Lease Sale Oil and Gas

The Bureau of Land Management, Eastern States, is pleased to announce that we will offer for competitive sale certain Federal lands in Alabama (ES-001 thru ES-001), Arkansas (ES-002 thru 0015) Louisiana (ES-016 thru ES 016) and Mississippi (ES-017 thru ES-019) for oil and gas leasing.

This notice describes—

1. the time and place of the auction,
2. how to register for and participate in the bidding process,
3. the conditions of the auction,
4. how to file a pre-sale noncompetitive offer, and
5. how to file a noncompetitive offer after the auction.

When and where will the auction take place?

When: The competitive oral auction will begin at **10:00 a.m. on December 18, 2003**. The sale room will open one hour earlier to allow you to register and get your bidding number.

Where: We will hold the auction at the BLM, Eastern States, 7450 Boston Boulevard, Springfield, Virginia 22153. Parking is available at the sale site.

Access: The auction room is accessible to persons with disabilities. If you need an auxiliary aid or service to participate in the auction, such as a sign language interpreter or materials in an alternate format, please contact Bill Forbes at (703) 440-1536 by December 4, 2003.

How do I register as a bidder?

You have to register and get a bidding number to participate in the sale. A Bidder Registration Form is included in this package. We will have copies available at the auction site. We will begin registering bidders at 9:00 a.m. on the day of the sale.

How do I participate in the bidding process?

The auctioneer will offer the parcels on the list attached to this notice in number order. Only registered bidders may make oral bids. All bids are on a per-acre basis for the entire acreage in the parcel. The winning bid will be the highest oral bid equal to or exceeding the minimum acceptable bid. The decision of the auctioneer is final.

The minimum acceptable bid is \$2 per acre or fraction thereof. If the parcel has fractional acreage, round it up to the next whole acre. For example, a parcel of 100.5 acres requires a minimum bid of \$202 (\$2 x 101 acres). After the auctioneer has offered all parcels, you may request that any unsold parcel be re-offered.

What are the terms and conditions of a lease issued as a result of this sale?

6. **Term of the lease:** A lease is issued for a primary term of 10 years. It continues beyond that if it has production in paying quantities. We charge a royalty of 12.5 percent of the value of oil or gas removed or sold from a lease. You will find other lease terms on our standard lease form (Form 3100-11, June 1988 or later editions).

7. **Stipulations:** Some parcels are subject to surface use stipulations. They are requirements or restrictions on how you conduct operations. These stipulations are included in the parcel descriptions on the attached list. They become part of the lease and supercede any inconsistent provisions in the lease form.

What are the terms of the sale?

8. **Withdrawal:** We reserve the right to withdraw any or all parcels from the sale before the auction begins. If we withdraw any parcels, we will post a notice in the Public Room at the Eastern States Office. You may also get the numbers of withdrawn parcels by contacting Bill Forbes at (703) 440-1536. If we cancel the sale, we will try to notify all interested parties in advance.

9. **Payment:** You cannot withdraw your bid; it is a legally binding commitment to sign the lease bid form; accept the lease; and pay on the day of the auction the bonus bid, the first year's rent, and an administrative fee. The bonus bid is a deposit of at least \$2.00 per acre or fraction thereof. The first year's rent is \$1.50 per acre or fraction thereof. The administrative fee is \$75 per parcel.

You must pay minimum bonus, first year's rental and administrative fee by 4:30 p.m., at the Eastern States accounting office. You may pay the entire amount of your bid on the day of the auction, but if you don't, **you must pay the balance by January 2, 2004**, which is the 10th working day following the auction. If you don't pay in full by this date, you forfeit the right to the lease and all money you have paid us. If you forfeit a parcel, we may offer it for sale at a later auction.

10. Form of payment: You can pay by personal check, certified check, money order, or credit card (VISA, MASTERCARD, AMERICAN EXPRESS, or DISCOVER). Make a check payable to: **Department of the Interior–BLM**. We don't accept cash. If a check you have sent us in the past has bounced (been returned for insufficient funds), we will require that you give us a guaranteed payment, such as a certified check.

11. Bid form: Successful bidders must submit a signed competitive lease bid form (Form 3000-2, Oct. 1989) with their payment on the day of the auction. This form is a legally binding offer by a prospective lessee to accept a lease and all applicable terms and conditions. We recommend you get the form and complete part of it before the auction, leaving part to be filled out at the auction. Your completed bid form certifies that you are qualified to be a lessee under our regulations at 43 CFR Part 12 and Subpart 3102.5-2. It also certifies that you comply with 18 U.S.C. 1860, a law prohibiting unlawful combinations, intimidation of or collusion among bidders.

12. Issuance of a lease: We (the BLM) will issue your lease within 60 days of the sale date by signing the lease form provided you have paid your fees and rent. The effective date of a lease is the first day of the month following the month in which we sign the lease. We can make it effective the first day of the month in which we sign it, if we receive your written request before we sign the lease.

How do I file a noncompetitive pre-sale offer?

Under our regulations at 43 CFR 3110.1(a), you can file a noncompetitive pre-sale offer for lands that –

- 13. are available,
- 14. have not been under lease during the previous one-year period; or
- 15. have not been included in a competitive lease sale within the previous two-year period.

If no bid is received on them, your pre-sale offer gives you priority over any offer filed after the auction. In the list of parcels attached to this notice, we have used an asterisk to mark any parcel that has a pending pre-sale offer. By filing a pre-sale offer, you are consenting to all terms and conditions of the lease, including any stipulations for listed on the attachment to this notice.

To file a pre-sale offer, you must send us --:

16. a standard lease form (Form 3100-11, June 1988 or later edition), which is properly filled out, as required by the regulations under 43 CFR 3110. (**Note: You must copy both sides of the form on one page. If you copy the form on 2 pages, we will reject your offer. We will also reject offers on obsolete lease forms.**);
17. the first year's advance rent in the amount of \$1.50 per acre or fraction thereof; and
18. a nonrefundable administrative fee in the amount of \$75.

NOTE: You cannot file a pre-sale offer for any lands included in the parcel list attached to this notice.

How do I file a noncompetitive offer after the auction?

You may be able to get a noncompetitive lease for a parcel we offered if –

19. we did not withdraw it from the sale;
20. it did not receive a bid; and
21. it does not have a noncompetitive pre-sale offer pending.

Parcels that meet all these criteria are available on a first-come, first-served basis for two years from the date of the auction. If you want to file a noncompetitive offer for an unsold parcel immediately after the sale or on the next business day, give us the items listed above under pre-sale offers in a sealed envelope marked "Noncompetitive Offer." We will provide drop boxes at the Eastern States accounting office. We consider all noncompetitive offers that we receive on the day of the sale and the first business day after the sale as filed at the same time (simultaneously). Where an unsold parcel receives more than one simultaneous filing, we will hold a public drawing to determine who will get the lease.

Where can I get copies of BLM forms?

Click here for BLM forms: <http://www.nc.blm.gov/blmforms/>.

When is the next sale scheduled?

The next sale is tentatively scheduled for March 18, 2004.

Who should I contact if I have a question?

For more information, contact Bill Forbes at (703) 440-1536.

Ida V. Doup
Chief, Branch of Use Authorization
Division of Resources Planning, Use
and Protection

*PLEASE COMPLETE ONE FORM FOR EACH COMPANY AND/OR
INDIVIDUAL YOU ARE REPRESENTING AND BRING TO THE SALE
LOCATION TO SPEED PROCESSING OF REGISTRATION*

REGISTRATION FORM

BIDDER NO. _____
(Leave Blank)

NAME: _____

BUSINESS PHONE: _____

BUSINESS ADDRESS: _____

THE LESSEE MUST BE QUALIFIED TO HOLD
A FEDERAL OIL AND GAS LEASE.

SIGNATURE

DATE

A COPY OF THE LEASE AND ALL BILLING NOTICES WILL BE SENT TO THE
NAME AND ADDRESS OF THE LESSEE AS SHOWN ON FORM 3000-2 (BID
FORM).

HOTEL INFORMATION

Springfield Hilton
6550 Loisdale Court
Springfield, Virginia
(703) 971-8900

Holiday Inn
6401 Brandon Avenue
Springfield, Virginia
(703) 644-5555

Best Western
6560 Loisdale Court
Springfield, Virginia
(703) 922-9000

Days Inn
6721 Commerce Street
Springfield, Virginia
(703) 922-6100

Ramada Plaza Hotel
4641 Kenmore Avenue
Alexandria, Virginia
(703) 751-4510
Hotel shuttle to National Airport and Metro Subway

ES-001-12/03 ALES 52012 ACQ

Alabama, Tuscaloosa County, COE

T19S, R8W, Huntsville Meridian

Sec. 30, NWNE, SWNE, E2NW, NESW.

200.00 Acres

\$300.00 Rental

Subject to COE Special Stipulations, BLM Controlled Surface Use Stipulation,

COE Special Stipulations

1..That all rights under this lease are subordinate to the rights of the United States to flood and submerge lands permanently or intermittently in connection with the operation and maintenance of:

Holt Lake Project, Alabama

2. That the lessee shall not enter upon the surface of the leased lands at any time for the purpose of mining, drilling, or searching for oil or gas or the storage thereof and shall not construct any structure on nor alter the surface of the leased lands in any manner whatsoever.

3. All areas within 2,000 feet of any major structure, including but not limited to the dam, spillway, or embankment are restricted areas. Directional drilling operations from outside of the restricted areas which would cause a bore hole to be under the restricted areas, will not be permitted. The restricted areas are included in the lease for the sole purpose of becoming a part of a drilling unit so that the United States will share in the royalty of the unit.

4. That the United States reserves the right to use the land jointly with the lessee in connection with the construction, operation and maintenance of the Government's projects and place improvements thereon, and to remove materials therefrom, including sand gravel and other construction material, as may be necessary in connection with such work, and the lessee shall not interfere in any manner with such work or do any act which may increase the cost of performing such work.

1.That the United States shall not be responsible for damages to property or injuries to persons which may arise or be incident to the use and occupation of said premises, or for damages to the property of the lessee, or for injuries to the person of the lessee (if an Individual), or for damages to the property or injuries to the person of the lessee's officers, agents, servants, or employees, or others who may be on said premises at their invitation or the invitation of any one of them arising from or incident to the flooding of the said premises by the Governmental activities; and the lessee shall hold the United States harmless from any and all such claims. The provisions of this Condition shall not apply to such claims as are cognizable under the Federal Tort Claims Act, as amended.

2.To address all matters relating to these special conditions to:

District Engineer
U.S. Army Engineer District, Mobile
P.O. Box 2288
Mobile Alabama 36628

Who is the authorized representative of the Department of the Army, or to such other representatives as may from time to time be designated, provided that such designation shall be in writing and delivered to the lessee or his agent.

CONTROLLED SURFACE USE STIPULATION

1. Consultation with the appropriate Native American tribe/group will occur at the time of any proposed development of this lease, if it is found that currently used religious sites may be impacted by any development of this lease. If currently unknown burials are discovered during development activities associated with this lease, Alabama state law on unknown burials will be followed. If necessary, consultation with the appropriate tribe/group of federally recognized Native Americans will take place.

Modification: None

Waiver: None

Exemptions: None

2. In order to protect unknown cultural resources, a cultural resources survey (36 CFR 800.4; National Historic Preservation Act, as amended, Section 110(a)(2)(A) and Section 112; and 48 FR 44716), conducted by professional archaeologists (36 CFR 61.1(e) and Appendix A), will be required before any ground disturbance occurs which is associated with development of this lease. In addition, a report, which meets professional and Alabama standards for reports (36 CFR 61.1(e)), of the survey will be submitted to and approved by the Bureau of Land Management and the Alabama State Historic Preservation Officer before ground disturbance can be approved and/or conducted (36 CFR 800.3(c)). In addition, consultation with the Alabama State Historic Preservation Officer (36 CFR 800.1(c)(1)(ii)) will occur, and if necessary, consultation the Advisory Council on Historic Preservation (36 CFR 800.1(c)(1)(iii)) and appropriate tribe/group of federally recognized Native Americans (36 CFR 800.1(c)(2)(iii)), if necessary, may also occur.

Modification: None

Waiver: This stipulation may be waived by the Field Manager, Bureau of Land Management if it documented that a cultural resources survey which meets professional standards has been conducted and significant sites will not be impacted by development of this lease, or if it is documented that a cultural resources survey is not otherwise required. Consultation with the Alabama State Historic Preservation Officer is not waived.

Exemptions: None

3. To minimize soil erosion potential, to protect watershed and habitat values, well site construction will not be permitted on slopes greater than eight percent. This measure will not apply to road construction for access to a proposed well site.

Modification: None

Waiver: None

Exemptions: None

4. To ensure that oil and gas development does not negatively affect special status species, prior to any surface disturbing activities all areas of suitable habitat potentially impacted by the project will be surveyed for special status species. If special status species are found and a “may affect” situation exists, BLM will initiate consultation with the appropriate state agency and/or the U.S. Fish and Wildlife Service. All oil and gas development will comply with the protection measures developed as a result of those consultations.

Modification: None

Waiver: The survey portion of this stipulation may be waived if a qualified biologist has recently completed a special status species survey of the tract, and that survey is acceptable to the BLM and the U.S. Fish and Wildlife Service.

Exemptions: None

5. To ensure that oil and gas development does not negatively impact downstream water quality, no construction activities will be permitted within 250 feet of perennial or intermittent drainages.

Modification: None

Waiver: None

Exemptions: None

LEASE NOTICE

1. Should the oil or gas be developed at this site, all open vent stack equipment, such as heater-treaters, separators, and dehydrator units, will be designed and constructed to prevent birds and bats from entering or nesting in or on such units, and to the extent practical, to discourage birds from perching on the stacks. Installing cone-shaped mesh covers on all open vents is one suggested method. Flat mesh covers are not expected to discourage perching and will not be acceptable.

2. To discourage the spread of invasive, non-native plants, the operator will be encouraged to use native and/or noninvasive cover plants in seeding mixtures to stabilize disturbed areas and during restoration activities. Final seed mixtures will be formulated in consultation with the private land owner.

ES-002-12/03 ARES 52013 ACQ

Arkansas, Johnson County, Ozark N.F.

T11N, R23W, 5th Principal Meridian

Sec. 1, N2, N2SW, SE;

Sec. 2, N2SE;

Sec. 3, SESE.

658.45 Acres

\$988.50 Rental

ES-003-12/03 ARES 52014 ACQ

Arkansas, Johnson County, Ozark N.F.

T11N, R23W, 5th Principal Meridian

Sec. 7, E2NE, NWNW, NESE less 7.58 acres described as follows: Commencing at the NW corner of NESE, the POB of said exception, thence 237.47 ft. along the N line of said NESE to an old split-rail fence; thence along and with said split-rail fence Southwesterly 1, 151.88 ft.; thence Northwesterly 225.48 ft. along a use line to a point on the W line of said NESE; thence N 1, 015.87 ft. to POB, containing 32.42 acres, more or less, after said exception;

Sec. 8, SESW, S2SE;

Sec. 9, W2SW, SESW, SWSE, E2SE;

Sec. 10, SE;

672.42 Acres

\$1,009.50 Rental

Subject to Controlled Surface Use Stipulation #1

ES-004-12/03 ARES 52015 ACQ

Arkansas, Johnson County, Ozark N.F.

T11N, R23W, 5th Principal Meridian

Sec. 13, W2, N2NE, NESENE, W2SE, SESE;

A 6-acre square parcel in the NE corner of S2NE;

S2NE less 6-acre square in the NE corner;

50% U.S. interest in all oil, gas and other minerals.

Sec. 14, NWNE, S2NE, E2W2, N2SE, SWSE;

Sec. 15, NE, N2NW, N2SW, SESW, N2SE, SWSE;

Sec. 16, SENE, S2SW, NESW, W2SE.

1720.00 Acres

\$2580.00 Rental

Subject to Controlled Surface Use Stipulation #1

ES-005-12/03 ARES 52016 ACQ

Arkansas, Johnson County, Ozark N.F.

T11N, R23W, 5th Principal Meridian

Sec. 21, W2, SWNE, W2SE;

Sec. 22, NE, E2SE, E2NW less and except 4 acres, more or less, described as follows:

From the NE corner of SENW, on a proven declination of 5.5 degrees E and thence running South .99 chains and thence running W 5.06 chains to the place of beginning, the NE corner on the exception. Beginning at the NE corner of the exception, thence S 20 E 6.325 chains to the SE corner of the exception; thence S 70 West 6.325 chains to the SW corner of the exception; thence N 20 W 6.325 chains to the NW corner of the exception, thence n 70 E 6.325 chains to the place of beginning;

Sec. 23, N2NE, SENE, W2, SE;

Sec. 24, NE, less and except 1.7 acres described as follows: Commencing at the SW corner of the NWNE; thence along the center section line 181° 16'43" for a distance of 282.98 ft. to the true POB and corner 1 of said exception; thence along and with said fence line for a distance of 100.53 ft.; thence along and with the fence in a southerly direction 184°24'49" for a distance of 1024.63 ft. to corner 3, at the corner fence and a use line to the west; thence with the use line and then a fence 271° for a distance of 43.55 ft. to corner 4 on the fence line and the N-S center section line; thence along and with the center section line 01°16'43" for a distance of 1036.55 ft. to the POB.

N2SE, SESE, NENW less and except 5 acres, more particularly described as

Follows: 5 acres in the 465 foot square lying at the NW corner of NENW.

1709.30 Acres

\$2565.00 Rental

Subject to Controlled Surface Use Stipulation #1

ES-006-12/03 ARES 52017 ACQ

Arkansas, Johnson County, Ozark N.F.

T11N, R23W, 5th Principal Meridian

Sec. 24, SWSE.

50% U.S. mineral interest in all oil, gas, and other minerals

40.00 Acres

\$60.00 Rental

ES-007-12/03 ARES 52018 ACQ

Arkansas, Johnson County, Ozark N.F.

T11N, R23W, 5th Principal Meridian

Sec. 25, NE, S2NW, NENW, W2SW, NWNESW, S2SE, NESE;

Sec. 36, S2NW, SWSW, E2SE, SWSE

788.00 Acres

\$1,182.00 Rental

ES-008-12/03 ARES 52019 ACQ

Arkansas, Johnson County, Ozark N.F.

T11N, R23W, 5th Principal Meridian

Sec.. 36, SWNE*, NWSE*.

*50% U.S. mineral interest.

38.98 Acres

\$58.00 Rental

ES-009-12/03 ARES 52020 ACQ

Arkansas, Franklin County, Ozark N.F.
T11N, R26W, 5th Principal Meridian
Sec.2, W2SWSE, W2E2SWSE;
30.00 Acres
\$45.00 Rental

ES-010-12/03 ARES 52021 ACQ

Arkansas, Franklin County, Ozark N.F.
T11N, R26W, 5th Principal Meridian
Sec.5, N2NE, SWNE, NENW, S2NW,SW,NWSE,SESE;
Sec.6, N2, NWSW,S2SW, NESW less and except 2.96
acres described as follows: Beginning at the SE Corner of said NESW, running
thence W 4.75 chains, thence N 4.00 chains, thence N 46 degrees and 30' E 6.5 chains,
thence S 8.50 chains to the place of beginning, containing 37.04 acres, more or less;
SWSE.
1,024.53 Acres
\$1537.50 Rental

ES-011-12/03 ARES 52022 ACQ

Arkansas, Franklin County, Ozark N.F.
T11N, R26W, 5th Principal Meridian
Sec. 15, NESE;
Sec. 16, All;
Sec. 17, NE, S2NW,NWSW,S2SW,S2SE, NESE;
Sec. 18, NE,N2NW,N2SE.
1,528.59 Acres
\$2,293.50 Rental

ES-012-12/03 ARES 52023 ACQ

Arkansas, Franklin County, Ozark N.F.
T12N, R25W, 5th Principal Meridian
Sec. 31, NE, SWNW, NWSW, S2SW, N2SE;
Sec. 32, All;
Sec. 33, N2SE.
1,153.97 Acres
\$1731.00 Rental

ES-013-12/03 ARES 52024 PD

Arkansas, Franklin County, Ozark N.F.
T12N, R26W, 5th Principal Meridian
Sec. 32, N2SW, SWSW, NWSE.
160.00 Acres
\$240.00 Rental

ES-014-12/03 ARES 52025 PD

Arkansas, Franklin County, Ozark N.F.

T12N, R26W, 5th Principal Meridian

Sec. 34, E2NE, W2NW, NWSW.

200.00 Acres

\$300.00 Rental

ES-015-12/03 ARES 52026 ACQ

Arkansas, Franklin County, Ozark N.F.

T12N, R26W, 5th Principal Meridian

Sec. 35, N2NW.

50% U.S. interest in all coal, oil, gas and other minerals.

remaining 50% mineral interest outstanding in third party in perpetuity.

80.00 Acres

\$120.00 Rental

CONTROLLED SURFACE USE STIPULATION NO. 1 – OZARK (AR)

Surface occupancy or use is subject to the following special operating constraints:

Unless otherwise authorized, surface occupancy will be prohibited within 100 feet of a perennial stream. This is to limit or mitigate impacts on floodplains, wetlands and riparian zones.

On the ACQUIRED lands described below:

Section 9: NESE;
Section 10: W2SE;
Section 15: NENW, NWSW;
Section 16: SENE;
Section 21: SWNE;
Section 22: Part of E2NW;
Section 27: NENW, N2SENE, SWSENE, SWNW, W2SW, S2NESW,
NWNESE;
Section 28: NESE.

For the purpose of:

Meeting the Forest Management Direction of Chapter 4, page 6
of the Ozark-St. Francis National Forests' Land & Resources
Management Plan.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS manual 1950 and 2820).

**STIPULATION FOR LANDS OF THE NATIONAL FOREST SYSTEM
UNDER JURISDICTION OF DEPARTMENT OF AGRICULTURE**

The licensee/permittee/lessee must comply with all the rules and regulations of the Secretary of Agriculture set forth at Title 36, Chapter II, of the Code of Federal Regulations governing the use and management of the National Forest System (NFS) when not inconsistent with the rights granted by the Secretary of the Interior in the license/prospecting permit/lease. The Secretary of Agriculture's rules and regulations must be complied with for (1) all use and occupancy of the NFS prior to approval of a permit/operation plan by the Secretary of the Interior, (2) uses of all existing improvements, such as Forest development roads, within and outside the area licensed, permitted or leased by the Secretary of the Interior, and (3) use and occupancy of the NFS not authorized by a permit/operating plan approved by the Secretary of the Interior.

All matters related to this stipulation are to be addressed to:

Forest Supervisor, Ozark – St. Francis NFs
605 West Main Street
Russellville, AR 72801
(479) 964-7200

who is the authorized representative of the Secretary of Agriculture.

BLM Field Office

Jackson Field Office
411 Briarwood Drive
Suite 404
Jackson, Mississippi 39206

Surface Management Agency

USDA, Forest Service - Region 8
Room 792 South, Lands & Minerals
1720 Peachtree Road, N.W.
Atlanta, Georgia 30367

ES-016-12/03 LAES 52027 ACQ

Louisiana, Winn Parish, BLM

T11N, R4W, Louisiana Meridian

Sec. 2, S2NE, SENW.

120.00 Acres

\$180.00 Rental

Subject to BLM No Surface or Subsurface Use

BLM LEASE STIPULATION

NO SURFACE OR SUB-SURFACE OCCUPANCY

This parcel was nominated for leasing on the premise that development of the State spacing would occur so that any well drilled or associated surface use would not be located on the Federal lands described below. Such a nomination is referred to by the Bureau of Land Management (BLM) as a “NOL” nomination, i.e., a “no occupancy lease” nomination. With such a NOL nomination to consider, the BLM prepares its environmental assessment (EA) based on a Proposed Action of “no occupancy (surface or subsurface)”.

Therefore, for the lands described by the location described below, “No Occupancy (surface or sub-surface)” is allowed under the terms of this lease.

Location: Entire Lease

Waiver: None

The record title holder may file a written relinquishment, in the proper BLM office, for all or a portion of the lease, (43 CFR 3108.1). a relinquishment shall take effect on the date it is filed. The lease portion relinquished can be re-nominated by the applicant requesting surface occupancy. The BLM would prepare a Planning analysis/Environmental Assessment (PA/EA) addressing Reasonable Foreseeable Development and potential impacts on natural, cultural and socioeconomic resources as applicable. Upon conclusion of the PA/EA process, the designated lands would be offered for lease under the BLM’s competitive bidding process.

Exception: None

Modification: None

ES-017-12/03 MSES 52028 ACQ

Mississippi, Franklin County, Homochitto N.F.

T6N, R1E, Washington Meridian

Sec. 39, That part of Tract H-82 described as:

Beginning at SW , thence bearing S 82degrees E 26.60 chains along S boundary Sec. 39 to corner of Secs.38, 39 & 40 thence N 43 degrees 48' E 35.60 chains along S boundary Sec. 39 to Section corner, thence S 73 degrees E 13.50 chains along S boundary Sec.39 to Section corner, thence N 53 degrees E 3.00 chains along the S boundary of Section 39 to Section corner, thence S 40 degrees 50' E 5.60 chains along S boundary Section 39 to Dry Bayou, thence N 34 degrees 45' E .55 chains along Dry Bayou to a point, thence N 62 degrees 30' E 1.83 chains along Dry Bayou to a point, thence N 6 degrees W 2.55 chains along Dry Bayou to a point, thence S 79 degrees 45' E 2.76 chains along Dry Bayou to a point, thence N 88 degrees 45' E 3.80 chains along Dry Bayou to a point, thence N 1 degree 15' E 2.31 chains along Dry Bayou to a point, thence N 32 degrees 15' W 2.69 chains along Dry Bayou to a point, thence N 18 degrees 2.90 chains along Dry Bayou to a point, thence N 49 degrees 15' W 2.70 chains along Dry Bayou to a point, thence N 31 degrees 45' E 3.73 chains along Dry Bayou to a point, thence N 59 degrees 30' W 2.46 chains along Dry Bayou to a point, thence N 77 degrees W 5.61 chains along Dry Bayou to a point, thence N 50 degrees 15' W 1.18 chains along Dry Bayou to a point, thence N 14 degrees W .98 chains along Dry Bayou to a point, thence N 6 degrees 30' E 1.31 chains along Dry Bayou to a point, thence N 22 degrees 45' E 2.03 chains along Dry Bayou to a point, thence N 8 degrees 30' E 1.14 chains along Dry Bayou to a point, thence N 28 degrees 30'E 1.11 chains along Dry Bayou to a point, thence N 9 degrees W 1.86 Chains along Dry Bayou to a point, thence N 65 degrees 30' E 3.35 chains along Dry Bayou to a point, thence N 42 degrees W 4.49 chains along Dry Bayou to a point, thence S 76 degrees 30' W 3.11 chains along Dry Bayou to a point, thence N 19 degrees W 1.78 chains along Dry Bayou to a point, thence N 22 degrees E 4.78 chains along Dry Bayou to a point, thence N 9 degrees 45' W 2.83 chains along Dry Bayou to N boundary Beekman land, thence N 82 degrees W 58.10 chains along marked line to W boundary Section 39, thence S 8 degrees W 64.99 chains along W boundary Section 30 point of beginning, containing 345.00 acres;

That part of Tract- 448 lying south of a marked line and east of Dry Bayou described as: Beginning at the Southeast corner of Section 39, common to Sections 39,40, & 42, thence along the south boundary line of the section N 40 degrees 50' W 19.23 chains to Dry Bayou, thence up Dry Bayou with the meanders thereof, N 85 degrees E 1.31 chains, N 34 degrees 45' E 1.85 chains, N 62 degrees 30' E 1.44 chains to a marked line, thence leaving the bayou and with said marked line S 78 degrees E 11.20 chains to the east boundary lines of Section 39, thence S 8 degrees 00' W 14.63 chains to the place of beginning,

Containing 12.33 acres.

357.33 Acres

\$537.00 Rental

Subject to Timing Limitation Stipulation #1

ES-018-12/03 MSES 52029 ACQ *MSES 51880

Mississippi, Adams County, Homochitto NF

T5N, R1W, Washington Meridian

Sec 20, Part of Tract 20b, described as: from the NW corner of sec. 20, go S 81° 00' E along the N boundary of sec. 20 for 3650.46 feet to the point of beginning, being the NW corner of FS Tract 20b, and also being the NW corner of the following described tract: thence from said point of beginning go S 07° 30' W along the W boundary of FS tract 20b for 4527.60 feet to the N boundary of the Hull tract, thence S 82° 30' E for 3847.80 feet to the NE corner of said Hull Tract, thence continue S 82 degrees 30' E for 2650 feet, more or less, to the E boundary, thence N along the E boundary for 4250 feet, more or less, to the NE corner thereof, thence N 81° 00' W along the N boundary of sec. 20 for 6400 feet, more or less, to the point of beginning.

684.600 Acres

\$1,027.50 Rental

Subject to F.S. No Surface Occupancy Stipulation No. 2A, F.S. Timing Limitation Stipulation No. 1, and Lease Notice 3 and 4

ES-019-12/03 MSES 52030 ACQ

Mississippi, Monroe County, COE

T14S, R19W, Huntsville Meridian

Sec. 15, Lots 2, 3, 4 and 5.

320.50 Acres

\$481.50 Rental

Subject to BLM No Surface Occupancy Stipulation and Corps of Engineers Special Conditions Stipulations

BLM No Surface Occupancy Stipulation

The Surface Management Agency has stipulated “No Surface Occupancy Lease” Restrictions. “That the lessee shall not enter upon the surface of the leased lands at any time for the purpose of mining, drilling, or searching for oil and gas or the storage thereof and shall not construct any structure on nor alter the surface of the leased lands in any manner.” Lease stipulations will only apply to the lease.

COE Special Stipulations

1. No Surface Occupancy Lease; No surface impacts to other resource values, land uses or users of the surface. The oil and gas minerals will be developed in accordance with the State well spacing approval, and the surface disturbance will be located on adjacent private surface property. This lease does not obviate the need to obtain other Federal, State or local authorization required by law for any wells drilled for any related surface disturbance that is proposed on lands pooled with those lands described above.
2. 250 feet buffer; No surface disturbing activities are permitted within 250 feet of the Tennessee-Tombigbee Waterway, its tributaries or associated wetlands. An exception may be granted if the operator can incorporate design features that safeguard surface and subsurface water quality in adjacent areas.
3. Threatened, endangered, or other special status species; The Lease area may contain plants, animals, or their habitats determined to be threatened, endangered or other special status species. BLM will recommend modifications of proposals to meet its conservation and management objectives for protection of threatened, endangered, or other special status species or their habitat. BLM will not approve any ground-disturbing activity that may affect any such species or critical habitat until it completes its obligations under applicable requirements of the Endangered Species Act as amended, 16 U.S.C. 1531 et seq., including completion of any required procedure for conference or consultation.
4. Native American Religious Concerns and Consultation; Consultation with the appropriate Native American tribe/group will occur at the time of any proposed development of this lease, if it is found that currently used religious sites may be impacted by any development of this lease. If currently unknown burials are discovered during development activities associated with this lease, Mississippi state law on unknown burials will be followed. If necessary, consultation with the appropriate tribe/group of federally recognized Native Americans will take place.

Modification: None

Waiver: None

Exemptions: None

5. Cultural Resources; In order to protect unknown cultural resources, a cultural resources survey (36 CFR 800.4; National Historic preservation Act, as amended, Section 110(a)(2)(A) and Section 112; and 48 FR 44716), conducted by professional archeologist (36 CFR 61.1(e) and appendix A), will be required before any ground disturbance occurs which is associated with development of this lease. In addition, a report which meets a professional and Mississippi State Historic preservation Officer before ground disturbances can be approved and/or conducted (36 CFR 800.1(c)(1)(iii) and if necessary, consultation with the Advisory Council on Historic Preservation (36 CFR 800.1 (c)(1)(iii) and appropriate tribe/group of Indian People (36 CFR 800.1(c)(2)(iii), if necessary, may also occur.

Modification: None

Waiver: This stipulation may be waived by the Field Office Manager, Bureau of Land Management if it documented that a cultural resource survey which meets professional standards has been conducted and significant sites will not be impacted by the development of this lease, or if it is documented that a cultural resources survey is not otherwise required. Consultation with the Mississippi State Historic Preservation Officer is not waived.

Exemptions: None

COE SPECIAL CONDITIONS STIPULATIONS

1. That all rights under this lease are subordinate to the rights of the United States to flood and submerge the lands permanently or intermittently in connection with the operations and maintenance of Tennessee-Tombigbee Waterway Wildlife Mitigation Project, MS - Tract 600.
2. That the lessee shall not enter upon the surface of the leased lands at any time for the purpose of mining, drilling, or searching for oil or gas or the storage thereof and shall not construct any structure on nor alter the surface of the leased lands in any manner whatsoever.
3. All areas within 2,000 feet of any major structure, including, but not limited to the dam, spillway, or embankment are restricted areas. Directional drilling operations from outside of the restricted areas which would cause a bore hole to be under the restricted areas, will not be permitted. The restricted areas are included in the lease for the sole purpose of becoming a part of a drilling unit so that the United States will share in the royalty of the unit.
4. That the United States reserves the right to use the land jointly with the lessee in connection with the construction, operation and maintenance of the Government's projects and to place improvements thereon, and to remove materials therefrom, including sand and gravel and other construction material, as may be necessary in connection with such work, and the lessee shall not interfere in any manner with such work or do any act which may increase the cost of performing such work.
5. That the United States shall not be responsible for damages to property or injuries to persons which may arise from or be incident to the use and occupation of said premises, or for damages to the property of the lessee, or for injuries to the person of the lessee (in an individual), or for damages to the property or injuries to the person of the lessee's officers, agents, servants, or employees or others who may be on said premises at their invitation or the invitation of any one of them arising from or incident to the flooding of the said premises by the Government or flooding from any other cause, or arising from or incident to any other Governmental activities; and the lessee shall hold the United States harmless from any and all such claims. The provisions of the Condition shall not apply to such claims as are cognizable under the Federal Tort Claims Act, as amended.
6. To address all matters relating to these special conditions to:
District Engineer
U.S. Army Engineer District, Mobile
P.O. Box 2288
Mobile, Alabama 36628

who is the authorized representative of the Department of the Army, or to such other representatives as may from time to time be designated, provided that such designations shall be in writing and delivered to the lessee or his agent.

NATIONAL FOREST IN MISSISSIPPI

Timing Limitation Stipulation 1

No surface use is allowed during the following time period (s). This stipulation does not apply to operation and maintenance of production facilities.

Site construction and Drilling may be restricted during the wet season from 11/30 thru 3/31 depending on site specific conditions at the time the application for Permit to Drill is filed.

On the lands described below;

Entire Lease

For the purpose of (reasons):

Prevent excessive soil erosion and rutting resulting from construction activities during the wet season. Land and Resources Management Plan, National Forest in Mississippi, as amended, 9/85.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS manual 1950 and 2820).

T5N, R1W

NO SURFACE OCCUPANCY STIPULATION NO. 2A

No surface occupancy or use is allowed on the lands described below:

Within 100' of the Sandy Creek WMA Headquarters building located in the most westerly part of irregular Section 20 T5N R1W, Washington Meridian.

For the purpose of:

Protection of the Sandy Creek WMA Headquarters. Land and Resource Management Plan, National Forests in Mississippi, as amended, 9/85.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS manual 1950 and 2820).

LEASE NOTICE No. 3

All or part of the leased lands may contain animal or plant species classified under the Endangered Species Act of 1973, as amended. Other species may have been identified as sensitive in accordance with Forest Service Manual 2670 and be listed on the current Regional Forester's List of Sensitive Plant and Animal Species. Further information concerning the classification of these species may be obtained from the authorized Forest Officer.

Exploration and development proposals may be limited or modifications required if activity is planned within the boundaries of a threatened, endangered or sensitive plant or animal species location as it then exists. All activities within these areas must be conducted in accordance with existing laws, regulations and the Forest Land and Resource Management Plan guidelines

LEASE NOTICE No. 4

All or part of the leased lands may be classified as wetlands in accordance with Executive Order 11990, "Protection of Wetlands" or a floodplain in accordance with Executive Order No. 11988, "Floodplain Management." Further information concerning the classification and management of these lands may be obtained from the authorized Forest Officer.

All activities within these areas must be conducted in a manner to minimize adverse impacts to the resource values and in accordance with the Forest Land and Resource Management Plan guidelines.

NATIONAL FOREST IN MISSISSIPPI

Timing Limitation Stipulation 1

No surface use is allowed during the following time period (s). This stipulation does not apply to operation and maintenance of production facilities.

Site construction and Drilling may be restricted during the wet season from 11/30 thru 3/31 depending on site specific conditions at the time the application for Permit to Drill is filed.

On the lands described below;

Entire Lease

For the purpose of (reasons):

Prevent excessive soil erosion and rutting resulting from construction activities during the wet season. Land and Resources Management Plan, National Forest in Mississippi, as amended, 9/85.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS manual 1950 and 2820).

**STIPULATION FOR LANDS OF THE NATIONAL FOREST SYSTEM
UNDER JURISDICTION OF DEPARTMENT OF AGRICULTURE**

The licensee/permittee/lessee must comply with all the rules and regulations of the Secretary of Agriculture set forth at Title 36, Chapter II, of the Code of Federal Regulations governing the use and management of the National Forest System (NFS) when not inconsistent with the rights granted by the Secretary of the Interior in the license/prospecting permit/lease. The Secretary of Agriculture's rules and regulations must be complied with for (1) all use and occupancy of the NFS prior to approval of a permit/operation plan by the Secretary of the Interior, (2) uses of all existing improvements, such as Forest development roads, within and outside the area licensed, permitted or leased by the Secretary of the Interior, and (3) use and occupancy of the NFS not authorized by a permit/operating plan approved by the Secretary of the Interior.

All matters related to this stipulation are to be addressed to:

Forest Supervisor, NFs in Mississippi
100 W. Capitol Street, Suite 1141
Jackson, MS 39269
Telephone No.: 601-965-4391

who is the authorized representative of the Secretary of Agriculture.

BLM Field Office
Jackson Field Office
411 Briarwood Drive
Suite 404
Jackson, Mississippi 39206

Surface Management Agency
USDA, Forest Service - Region 8
Room 792 South, Lands & Minerals
1720 Peachtree Road, N.W.
Atlanta, Georgia 30367

